

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 737 - SB 1791**

March 29, 2011

**SUMMARY OF BILL:** Requires a person listed on the title at the time of registration of real property to designate the person's residential address if the real property being registered will not be the person's residence. Requires the annual real property tax bill to include a form on which a tax payer listed on the title of a property may choose to designate any change in the person's address, which may not be a post office box. Requires notice of legal or administrative proceedings to be sent to address designated on the form.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$538,500/FY13-14  
\$288,500/FY14-15 and Subsequent Years**

**Increase Local Expenditures – Not Significant**

**Assumptions:**

- Tenn. Code Ann. § 66-24-104 establishes registration requirements for the conveyance of personal property. However, the provisions of the proposed bill add requirements relating to registration of real property and the address of the person listed on the title. The calculations and fiscal impact shown relate to real property.
- According to the Comptroller of the Treasury, the state calculates taxes for 88 counties and 259 cities totaling 3,050,000 parcels. Billing documents are printed for 57 counties and 233 totaling 1,600,000 parcels. Approximately seven counties calculate their own property taxes for an estimated 1,000,000 parcels.
- According to the Comptroller, property tax bills are mailed on postcards for 88 of 95 counties. The current system does not allow for additional documentation to be attached. An envelope system would be necessary to meet the provisions of this bill.
- According to the Comptroller, the earliest possible date to develop a new system and implement the provisions of this bill would be July 1, 2013.
- According to the Comptroller, a new computer system would be required at a one-time cost of \$250,000 in FY13-14.
- The increase in postage to mail tax bills is \$0.15 (\$0.44 standard mail - \$0.29 post card) resulting in a recurring increase to state expenditures of \$240,000 (1,600,000 parcels x \$0.15) in FY13-14 and subsequent years.
- According to the Comptroller, one additional administrative staff person would be required to process and record change of address forms. The new position would receive

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a salary of \$35,000 plus benefits of \$13,488 totaling \$48,488 in FY13-14 and subsequent years.

- Based on a survey of Davidson, Knox, Hamilton, and Shelby Counties, property tax bills mailed by local governments are currently mailed in a standard envelope with return envelope enclosed. Requiring such bills to include a form designating any change in address will not result in a significant increase to local expenditures.
- Sending notices to the address designated on the address form enclosed in property tax bills will not significantly impact the number of notices mailed by local governments.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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